

deficits and debt, combined with runaway spending, have shaken our confidence in our economic future. One proposal is to freeze domestic discretionary spending at last year's level without raising taxes. Proponents state that this would save U.S. taxpayers \$53 billion immediately, but, more importantly, it would send a signal that we are committed to lowering the deficit.

Third, we need to approve three promising free trade agreements with Colombia, South Korea and Panama that have stalled under this administration. Recently the President stated that increasing U.S. exports by just 1 percent would create over 250,000 jobs. Sure enough, the independent International Trade Commission estimates that these three deals would boost U.S. exports by over 1 percent.

Well, I look forward to hearing from the constituents of my congressional district in South Florida about how we can bring back economic growth and ensure that America will once again be the land of opportunity that I knew when I first came to this country almost five decades ago.

It's time to get our economy back on track.

#### FISCAL RESPONSIBILITY AND USING TARP TO REDUCE THE DEFICIT

The SPEAKER pro tempore. The Chair recognizes the gentleman from Virginia (Mr. CONNOLLY) for 5 minutes.

Mr. CONNOLLY of Virginia. Mr. Speaker, I am intrigued to hear my good friend from Florida talk about deficits as if the Republican Party, when it was in the majority and controlling the White House, had nothing to do with creating record deficits after inheriting record surpluses.

Mr. Speaker, as we continue on the path to economic recovery, and as we maintain our focus on putting millions of Americans back to work, we must reduce long-term deficits, I agree. The actions we have taken to stabilize the economy and to spur economic and job growth will be for naught if our long-term economic health is imperiled by ever-rising budget deficits.

I stand here today in favor of a significant tool for deficit reduction, the dedication of unused TARP funds.

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When first proposed by the previous administration, TARP was a \$700 billion program designed to prevent the financial sector from collapse. In its own way it's had measured success. The bank stress tests applied earlier this year indicated that the financial sector was, in fact, stabilizing. A number of banks, most recently the Bank of America and Citigroup, have, in fact, begun to pay back their TARP loan funds.

The unused TARP funds represent hundreds of billions of dollars potentially in deficit reduction. In fact, they

represent what would be the largest single deficit reduction in American history. As we stand at an economic crossroads, I believe we must seize advantage of this prospect and dedicate a significant portion of those remaining TARP funds to deficit reduction.

This would build on the actions we already have undertaken to reduce the deficit. In March, Congress passed the concurrent resolution on the budget for fiscal year 2010 that lowers the budget deficit to a third of the current amount within 4 years. This summer the House of Representatives passed legislation to reinstitute one of the most significant deficit reduction tools in recent memory, statutory pay-as-you-go, or PAYGO, legislation. PAYGO requires all reductions in revenue or increases in entitlement spending to be offset with other spending cuts or alternative sources of funding, a mechanism the Republican Congress let expire in 2002.

Yearly deficits, unfortunately, are not a new phenomenon. In fact, starting with fiscal year 1970, we had 28 straight deficits. But Congress took action and enacted statutory PAYGO in 1990. Starting in fiscal year 1998, President Clinton presided over four straight budget surpluses. The last time we had that many surpluses in a row was in the 1920s. Sustained surpluses are the result of sound economic policy and fiscal responsibility, which, quite frankly, had been sorely lacking these last past 8 years, Mr. Speaker.

Make no mistake. As this Congress took office in January, we were handed a deficit that was \$1 trillion. How is that possible? How could we go from four straight surpluses with projected future surpluses totaling \$5.6 trillion to an inherited \$1 trillion deficit this year? How could record surpluses become record deficits? Fiscal irresponsibility.

The current recession, which began in 2007 and accounted for \$479 billion of the fiscal year 2009 deficit, was the result of a concerted effort to avoid reasonable oversight of the financial sector. The risky and destructive behavior engaged in by a number of financial institutions was long ignored and in some ways subtly encouraged by a culture of deregulation on the other side of the aisle. The ensuing recession threw millions of Americans out of work and exacerbated the deficit.

Fiscal irresponsibility was a hallmark of the Bush administration. Three of President Bush's signature policies—his tax cuts, his prescription drug program, and his decision to start the Iraq War—resulted in further yearly debt of more than \$670 billion. None of these policies were paid for. How could such gross fiscal irresponsibility occur by conservative Republicans?

It occurred in large part because President Bush and the Republican-controlled Congress allowed statutory PAYGO to lapse in 2002, perhaps the most intellectually honest budgetary action they, in fact, took during that time period. And what should have

come as no surprise to anyone, because of that action, or lack of action, budget deficits returned the very next year. By allowing PAYGO to die, the Republicans were no longer constrained in their spending habits. They coupled reckless behavior with reckless disregard for the consequences and now expect the American people to believe their newfound concern for deficits. Where was that concern when we voted this year to reinstitute statutory PAYGO? Only 24 Republicans in this House of Representatives voted in favor of returning fiscal responsibility to the Congress.

Mr. Speaker, long-term financial stability depends on the continuance of our fiscal responsibilities. Long-term job growth depends upon a stable and growing economy. Long-term economic stability depends upon sustainable Federal budgets. Now, Mr. Speaker, is the time for the dedication of a significant portion of unused TARP funds for deficit reduction. The American people count on us.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 10 a.m. today.

Accordingly (at 9 o'clock and 19 minutes a.m.), the House stood in recess until 10 a.m. today.

□ 1000

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker (Ms. PELOSI) at 10 a.m.

#### PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord of the law and the prophets, in the days of Isaiah, the people expected "All nations to stream toward the temple of the Lord. Many peoples shall come and say, 'Come, let us climb the Lord's mountain to the house of our God that we may be instructed in the right direction, and we may walk the paths of justice.'"

In the days of Jesus, the people went out to hear the prophetic voice crying in the desert, "Prepare the way for the Lord. Listen to him."

Why is it, Lord, that people in our day do not seek You or Your wisdom as they face the complicated issues of law and government? Do their problems or their enemies seem to them stronger and more powerful than You?

Perhaps they do not want to turn to You because they fear how You will answer their prayer, and then they will not be able to say, "Amen."

#### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.